



## SUBORDINATION REQUEST FORM

By: \_\_\_\_\_ Date: \_\_\_\_\_

*To contact someone about this request form, please call 218-299-5375*

### **City of Moorhead Subordination Policy**

Pursuant to current City of Moorhead policy, requests for subordination will be considered under the following circumstances:

1. Loan recipient is refinancing first mortgage debt to reduce the interest rate without receiving cash back at closing or using funds to consolidate debt; **OR**
2. Loan recipient is taking out a home improvement loan for additional improvements to the subject property without cash back or using funds to consolidate debt; **OR**
3. Loan recipient is refinancing prior mortgage debt or borrowing additional funds for any other reason. Subordination under Item 3 will be considered only after the loan recipient has attended a credit counseling session with an accredited consumer credit counselor. Only one request for subordination under Item 3 will be granted over the life of the loan; **AND**
4. A Subordination Request Form signed by the Homeowner must be completed and submitted to Governmental Affairs for consideration; **AND**
5. Attach a Good Faith Estimate with the Subordination Request Form; **AND**
6. Attach a copy of the Owner & Encumbrance Report; **AND**
7. There must be sufficient equity in the property to cover all proposed and existing loans. The City Assessor's Estimated Market Value, adjusted slightly for resale, will be used to determine market value. The City Assessor, at his/her discretion may also consider a current, professional appraisal to determine value in instances where property value is in dispute.
8. The City will consider subordination requests up to, but not exceeding a 3<sup>rd</sup> position mortgage.
9. Up to ten (10) business days are required to process Subordination Agreements.

If you have questions or need additional information, please contact Tanya Kunza @ 218-299-5375, [tanya.kunza@moorheadmn.gov](mailto:tanya.kunza@moorheadmn.gov)



## **SUBORDINATION REQUEST FORM** **City of Moorhead**

This form is designed to provide the information necessary for responding to a request for the subordination of a City of Moorhead mortgage. Please fill out the form completely. Incomplete forms will be returned. Additional information may be required. The City of Moorhead is in sole discretion to agree to subordinate the mortgage.

Name of Homeowner(s): \_\_\_\_\_

Current Address: \_\_\_\_\_

Appraised Value: \_\_\_\_\_ Date of Appraisal: \_\_\_\_\_

(Attached copy of appraisal if one is done.)

City Assessed Value: \_\_\_\_\_ (*available on moorheadproperty.org*)

<b>LENDER INFORMATION</b>	
Lending Institution (to which City would subordinate): _____	
Lender Contact Name: _____	Phone: _____
Address to return subordination: _____ _____	Fax: _____

**Reason for Request** (check all that apply):

Simple refinance – refinance for lower interest rate only  
(no debt consolidation, no cash out)

Borrow money to make additional improvements to the property.  
*List the improvements and their estimated costs below.*

<u>Type of Improvement</u>	<u>Estimated Cost</u>
----------------------------	-----------------------

Borrow money to consolidate/re-finance non-housing-related debt.  
*Detail the other debt to be consolidated below.*

<u>Description</u>	<u>Amount</u>
--------------------	---------------

Other \_\_\_\_\_



## SUBORDINATION REQUEST FORM

### Financing Summary

	Mortgager	Amount	Interest rate	Monthly Pmt
<b>Existing</b>				
1 <sup>st</sup> Mortgage		\$		\$
2 <sup>nd</sup> Mortgage		\$		\$
3 <sup>rd</sup> Mortgage		\$		\$
4 <sup>th</sup> Mortgage		\$		\$
	Totals:	\$		\$
<b>Proposed</b>				
1 <sup>st</sup> Mortgage		\$		\$
2 <sup>nd</sup> Mortgage		\$		\$
3 <sup>rd</sup> Mortgage		\$		\$
4 <sup>th</sup> Mortgage		\$		\$
	Totals:	\$		\$

### Terms of New Mortgage Loan:

Amount of Loan:	Term (in years):
Interest Rate:	Variable or Fixed:

**\*\*\*Owner & Encumbrance Report needs to be attached to this request.\*\*\***

**Fees** - Provide a summary of the fees/other charges associated with this re-finance.  
(Closing costs, fees, etc.):

### Homeowner's Statement

I am the owner of the above property, which is my principal residence. The information supplied above is true and accurate. The new loan funds will be used for the purpose stated herein. Document has to be signed by homeowner or documentation needs to be attached giving you authorization to access homeowner's financial information.

\_\_\_\_\_  
Homeowner \_\_\_\_\_ Date \_\_\_\_\_ Homeowner \_\_\_\_\_ Date \_\_\_\_\_

### City of Moorhead recommendation

The City of Moorhead has reviewed and retained the necessary documents. Based on the information provided, the City recommendation is as follows.

- Approve subordination – request meets the city's subordination requirements - Lender can prepare and submit subordination agreement for signature.
- Deny subordination – request does not meet the city's subordination Requirements \_\_\_\_\_
- Other \_\_\_\_\_